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Approved For Release 2004/03/26 : CIA-RDP78B05703A000200030003-8 84-10

NPIC/D-320-70

70-6162

30 NOV 1970

MEMORANDUM FOR: Deputy Director of Central Intelligence

THROUGH : Executive Director-Comptroller
Assistant Deputy Director for Intelligence

SUBJECT : Request for Approval of [redacted] from R&D
Funds for an Overrun on Contract [redacted]
[redacted] for an
Image Comparison Microstereoscope (ICM)

REFERENCE : DDCI Memorandum "Approval of Research and
Development Activities", dated 23 Dec. 63

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1. This memorandum requests approval for the commitment of past year funds for an existing contract. This specific request is contained in Paragraph 9; if approved, funds committed to this project in addition to the original obligation, would total [redacted]

2. An important PI task at NPIC is the detailed surveillance of priority targets by analyzing new construction and other changes on a periodic, mission-by-mission basis, using a library of film chips retained after each mission's initial readout. While comparing these chips on existing light tables and microstereoscopes, much nonproductive time and effort is expended in alternately examining and manipulating this high resolution imagery on two or more viewing instruments.

3. To improve efficiency, minimize errors, permit rapid comparison of both stereo and non-stereo film chips, and to experiment with sophisticated image comparison techniques, development of the Image Comparison Microstereoscope was initiated in 1967 with a commitment of [redacted] Subsequent actions, to date, have applied an additional [redacted] to the project. The contractor, [redacted] has committed [redacted] of its own funds to the project. All of these funds have now been expended, and it is estimated by [redacted] that an additional [redacted] will be needed to complete the project.

4. The ICM is an extremely complex combination of optical subsystems operating at the limit of current opti-

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cal technology, housed in a compact configuration which emphasizes easy control manipulation and other human engineering features. The project has passed through conceptual study and detailed design phases. The assembly and debugging phase is approximately 80% complete. During the current phase, the contractor has experienced difficulty with the optical alignment, the mechanical linkages, and the fabrication of certain optical components. Most of these problems have been solved and all subsystems have been completed and tested, while final assembly has progressed to include virtually all components (see attached photograph). Preliminary testing indicates satisfactory optical performance except at extreme anamorphic "stretch" of the images. Solutions to the anamorphic and certain mechanical problems have been defined. However, these solutions and the present stage of completion have been reached at the expense of funds originally allotted for final debugging, testing, preparation of manuals and the Final Report.

5. All work on the project was stopped as of 12 May 1970 pending the completion of a technical and cost review initiated by NPIC. With respect to the technical review, our optical consultant, [] examined the design and present status of the ICM and described the "design and construction as outstanding (despite) the immense difficulty of optical alignment." The cost review by the Contracting Officer and an audit of [] costs accounts by the Industrial Contract Audit Division (O/FIN/ICAD) surfaced a previously unreported [] of additional overhead and G&A costs for work completed prior to 12 May 1970.

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6. To correct the anamorphic optics, deliver a completed ICM with manuals, and provide one week of installation and operational training will require 24 weeks additional time and will cost []. This cost plus the previously unreported [] for past overhead and G&A totals []. The Contracting Officer has reached an agreement with [] for a 50/50 cost-sharing arrangement, to a maximum [] liability of [] for any additional costs to complete beyond the current figure of []. has also agreed to burden rate ceilings on all overhead, G&A, and General Research charges to this contract for the period 1969 through completion. Furthermore, they have agreed to a one-third reduction on a subcontract with [].

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[REDACTED] for an Image Comparison
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7. It is intended that the completed prototype will undergo extensive test and evaluation by Center components along with an operational suitability analysis by the [REDACTED] under the Imagery Interpretation Research Program. The operational suitability evaluation, utilizing PI test subjects, will measure the relative values of the various comparison techniques available in this prototype and lead to a simplified production version for detailed photo interpretation. The Center also anticipates using the ICM for comparative analysis of the products from different photographic systems, missions, and printer/processors--as well as conducting special color separation and image quality grading and ranking studies. In consideration of these potential efficiencies, NPIC and CIA/Imagery Analysis Service plan to purchase eight (8) follow-on ICM's for an estimated cost of [REDACTED]. The prototype will be made available to other members of the intelligence community for possible interest in joint procurement which would further reduce the price per unit.

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8. The Project Officer for this contract is [REDACTED]
[REDACTED] is appropriate for this project, technical information which does not divulge Agency association is UNCLASSIFIED.

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9. In view of the progress to date and the potential applications of both the prototype and follow-on versions, your approval is requested for the authorization of [REDACTED] from past year funds for the Image Comparison Microstereo-
scope.

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[REDACTED]
ARTHUR C. LUNDAHL
Director
National Photographic Interpretation Center

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[redacted] for an Image Comparison
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Attachments:

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1. ICM Photograph
2. SC&PB Speed Letter No. NPIC-41-70
3. [redacted] Letters of 1 October, 9 July, 24 June, 26 May 1970
4. Form 2420

CONCUR:

Assistant Deputy Director for Intelligence

Date

APPROVED:

/s/ E. K. White

17 DEC 1970

~~Deputy Director of Central Intelligence~~

Date

Executive Director

Distribution:

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